

Sale of Custom Pack Business for \$14.4 million

Key Highlights

- **Sale of Australian Custom Pack Business for \$14.4m**
- **Strong Balance Sheet with net cash post sale of \$10m approx.**
- **ITL will continue with strategy to pursue high margin global blood market opportunities**

ITL Health Group (ASX: ITD), an innovative global medical technology company, is pleased to announce the sale of its Australian Custom Pack business unit, part of the ITL Healthcare division, to Nasdaq-listed multi-national Merit Medical Systems, Inc. ("Merit") for \$14.4m ("Sale"). The Sale was signed and completed on 2nd October 2017.

The Sale involves the transfer of all issued shares in ITL Healthcare Pty Ltd to a subsidiary of Merit and includes the Melbourne manufacturing facilities, clean rooms and steriliser, and ITL Healthcare's range of custom procedure packs, drapes and gowns.

ITL will retain a strong presence in Australia, including an extensive sales and distribution network across the country. ITL will retain ownership of business units that manufacture and sell the following products, that together contributed \$8.9m in the last financial year:

- Invasive blood pressure monitoring kits (sold in 46 hospitals in Australia);
- Class 3 Intra Venous (IV) starter packs; and
- Numerous sponsored products.

The financial implications of the Sale include:

- a substantial strengthening of ITL's balance sheet, post settlement the Company will have net cash of \$10m approx.;
- a profit on sale of approx. \$10m* (against an asset book value of \$4.2m); and
- a reduction of \$12.3m in sales or 35% of Total Group sales of \$34.8m in FY'17.

The Sale is consistent with ITL's strategy to pursue high margin opportunities in blood markets globally and target quick development of innovative patented products for these markets. This strategy has proven successful as shown in the considerable profit growth in the last financial year.

With a stronger balance sheet ITL will be able to accelerate growth across the Group's remaining business units.

ITL Health Group

ITL is an innovative global medical technology company made up of ITL BioMedical & MyHealthTest.

ITL BioMedical creates, manufactures and markets leading edge medical devices for the blood industry including blood banking, blood culture testing, and the laboratory markets. BioMedical is also a growing business in the clinical market.

ITL holds an IP portfolio of over 50 patents & sells into 55 countries.

MyHealthTest creates and markets highly innovative direct to consumer pathology testing for major chronic diseases.



Ranked 16th most Innovative Company by the
AFR Innovative Companies Awards

Australian Securities Exchange

Code: ITD

Ordinary shares

96,850,348

Board of Directors

Bill Mobbs	Executive Chairman
Mark Peatey	Non-executive Director
Andrew Turnbull	Non-executive Director
Trevor Doolan	Chief Financial Officer & Company Secretary

ITL Contact

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Bill Mobbs, ITL Executive Chairman commented; “The sale of the Custom Pack business sets a very solid foundation from which we can continue to drive growth in our higher margin and patented products across the global blood markets.”

“I would like to thank all our staff for their work over the years. We know they are in good hands with Merit who are considered a very good employer. I would also like to thank our corporate advisers P² Advisory and lawyers Hazelbrook Legal.”

Bill Mobbs
Executive Chairman

About ITL Health Group (ASX:ITD) www.ITLHealthGroup.com

ITL Health Group is an innovative global medical technology company that creates and manufactures leading edge medical devices for the clinical, blood banking, and laboratory markets. ITL is a growing provider of specialist ancillary products for the blood culture testing market, estimated to be worth US\$4.8bn by 2021.

ITL Health Group holds an IP portfolio of over 50 patents and sells into 55 countries, protecting healthcare workers in millions of procedures annually.

About Merit Medical Systems, Inc. (Nasdaq: MMSI) www.merit.com

Founded in 1987, Merit is engaged in the development, manufacture and distribution of proprietary disposable medical devices used in interventional, diagnostic and therapeutic procedures, particularly in cardiology, radiology and endoscopy. Merit serves client hospitals worldwide with a domestic and international sales force totaling approximately 290 individuals. Merit employs approximately 4,600 people worldwide with facilities in South Jordan, Utah; Pearland, Texas; Richmond, Virginia; Malvern, Pennsylvania; Rockland, Massachusetts; San Jose, California; Maastricht and Venlo, The Netherlands; Paris, France; Galway, Ireland; Beijing, China; Tijuana, Mexico; Joinville, Brazil; Markham, Ontario, Canada; Melbourne, Australia; Tokyo, Japan; and Singapore.

* unaudited and based on pro forma June 2017 accounts